

**CONTRACT #3
RFS # 318.65-080**

**Department of Finance &
Administration**

Bureau of TennCare

**VENDOR:
Electronic Data Systems
Corporation & EDS
Information Services, LLC**

REQUEST: RULE EXCEPTION**APPROVED****Commissioner of Finance & Administration****Date:**

RFS #	318 . 65 — 080 — 07		
INFORMATION ABOUT THE EXCEPTION(S) REQUESTED			
SUBJECT RULE NUMBER(S) :		RECEIVED	
0620-3-3-.07(5) for an exception permitting a contract term greater than five (5) years		DEC 01 2006	
DESCRIPTION OF EXCEPTION(S) :		FISCAL REVIEW	
The Bureau of TennCare seeks an rule exception to permit a six (6) year, six (6) month contract.			
JUSTIFICATION : (compelling rationale for and validation of rule exception request)			
<p>Since the award and implementation of this competitively awarded contract, the federal government has mandated that all states provide National Provider Identifier (NPI) with an implementation date no later than May 23, 2007, that coincides with the RFP and award of new TCMIS contract. TennCare is extending the current contract in time sufficient to enforce the CMS mandate by including these services in the current EDS contract as well as to allow time to adequately complete and transition from current contractor to contractor identified through RFP process that is currently underway.</p>			
INFORMATION REGARDING THE APPLICABLE CONTRACT			
CONTRACTOR :	Electronic Data Systems Corporation and EDS Information Services, LLC		
SERVICE INVOLVED :	<p>The original competitive contract is for Development, Implementation and Replacement of the TennCare Management Information System (TCMIS). This amendment comprises two major components of service, the extension of the current contract Facility Management of the TCMIS and additional services outside the scope of the original contract. The extension of current Facility Management services comprises 40% of the total Amendment expenditures. These services include all of the daily operational components required to provide Medicare/Medicaid and Fee for service health care to the 1.1 million Tennessee residents enrolled in TennCare. In order to maintain these services to TennCare enrollees during the development, procurement and implementation of the required replacement contract for our current facility manager (EDS), we requested the extension of the current contract services in order to prepare for this transition. The remaining 60% of the expenditures include two categories of additional components to the Facility Management contract. The first addresses the federally mandated requirement that all health care providers within the United States possess a unique National Provider Identification (NPI) number. The Code of Federal Regulations requires the implementation of NPI by May 27, 2007. This requires TennCare to modify all systems in order to identify all providers using the NPI. This modification to our systems is funded by 90% Federal Funds Participation. The second component of additional services identifies areas outside the scope of services specifically listed in the original contract. These ancillary components of the amendment indirectly address areas TennCare is responsible for adhering to judicial decrees.</p>		
BEGIN DATE :		August 12, 2002	
END DATE (including ALL options for term extension) :		December 31, 2008	
MAXIMUM LIABILITY (including ALL options for term extension) :		\$113,095,118.35	

AGENCY HEAD REQUEST SIGNATURE:(signed by the procuring agency head or
authorized signatory)*MD Goetz Jr /scp***SIGNATURE DATE:***11-30-06*

REQUEST: NON-COMPETITIVE AMENDMENT

APPROVED

Commissioner of Finance & Administration
Date:

EACH REQUEST ITEM BELOW MUST BE DETAILED OR ADDRESSED AS REQUIRED.

1) RFS #	318.65-080	
2) State Agency Name :	Department of Finance and Administration, Bureau of TennCare	
EXISTING CONTRACT INFORMATION		
3) Service Caption :	Development, Implementation and Replacement of TennCare Management Information System	
4) Contractor :	Electronic Data Systems Corporation and EDS Information Services, LLC	
5) Contract #	FA-03-15069-00	
6) Contract Start Date :	August 12, 2002	
7) <u>Current</u> Contract End Date IF <u>all</u> Options to Extend the Contract are Exercised :	June 30, 2007	
8) <u>Current</u> Total Maximum Cost IF <u>all</u> Options to Extend the Contract are Exercised :	\$72,657,148.00	
PROPOSED AMENDMENT INFORMATION		
9) <u>Proposed</u> Amendment #	6	
10) <u>Proposed</u> Amendment Effective Date : (attached explanation required if date is < 60 days after F&A receipt)	January 1, 2007	
11) <u>Proposed</u> Contract End Date IF <u>all</u> Options to Extend the Contract are Exercised :	December 31, 2008	
12) <u>Proposed</u> Total Maximum Cost IF <u>all</u> Options to Extend the Contract are Exercised :	\$113,095,118.35	
13) Approval Criteria : (select one)	<input checked="checked" type="checkbox"/> use of Non-Competitive Negotiation is in the best interest of the state <input type="checkbox"/> only one uniquely qualified service provider able to provide the service	
14) Description of the Proposed Amendment Effects & Any Additional Service :		
<p>This amendment comprises two major components of service, the extension of the current contract Facility Management of the TCMIS and additional services outside the scope of the original contract. The extension of current Facility Management services comprises 40% of the total Amendment expenditures. These services include all of the daily operational components required to provide Medicare/Medicaid and Fee for service health care to the 1.1 million Tennessee residents enrolled in TennCare. In order to maintain these services to TennCare enrollees during the development, procurement and implementation of the required replacement contract for our current facility manager (EDS), we requested the extension of the current contract services in order to prepare for this transition. The remaining 60% of the expenditures include two categories of additional components to the Facility Management contract. The first</p>		

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15) Explanation of Need for the Proposed Amendment :

In response to CMS mandate to provide NPI by May 23, 2007, TennCare is amending this current TCMIS contract to include these services as well as provide continuation of current services until an RFP can be completed and smooth transition occur between current TCMIS contractor and new competitively awarded contractor.

16) Name & Address of Contractor's Current Principal Owner(s) :
(not required if proposed contractor is a state education institution)

Electronic Data Systems Corporation and EDS Information Service, L.L.C. ("EIS"), 5400 Legacy Drive, Plan, Texas 75024

17) Documentation of Office for Information Resources Endorsement :
(required only if the subject service involves information technology)

select one:

☐

Documentation Not Applicable to this Request

X

Documentation Attached to this Request

18) Documentation of Department of Personnel Endorsement :
(required only if the subject service involves training for state employees)

select one:

X

Documentation Not Applicable to this Request

☐

Documentation Attached to this Request

19) Documentation of State Architect Endorsement :
(required only if the subject service involves construction or real property related services)

select one:

X

Documentation Not Applicable to this Request

☐

Documentation Attached to this Request

20) Description of Procuring Agency Efforts to Identify Reasonable, Competitive, Procurement Alternatives :

The current TCMIS contract was competitively awarded. This amendment provides a funding for NPI as well as other services specified in Item (1) above which necessitates a continuation of services for extended period of 18 months.

21) Justification for the Proposed Non-Competitive Amendment :

The original contract was competitively bid, however, changes in TennCare that were not included in the original document as well as staffing and payment mechanisms need to be included to ensure the smooth continuation of services provided by TennCare. In order for the State of Tennessee to be responsive to the federal mandate by CMS to provide NPI by May 23, 2007, TennCare is amending to include these services. The Bureau of TennCare would appreciate favorable consideration by the Department of Finance and Administration.


REQUESTING AGENCY HEAD SIGNATURE & DATE :

(must be signed & dated by the ACTUAL procuring agency head as detailed on the Signature Certification on file with OCR—signature by an authorized signatory will be accepted only in documented exigent circumstances)

Agency Head Signature

Date

C O N T R A C T S U M M A R Y S H E E T

RFS Number:	318.65-080	Contract Number:	FA-03-15069-06
State Agency:	Department of Finance and Administration	Division:	Bureau of TennCare
Contractor		Contractor Identification Number	
Electronic Data Systems Corporation and EDS Information Services, L.L.C. (EIS)		X V- C-	752548221 06
Service Description			
Development, Implementation and Replacement TennCare Management Information System (TCMIS)			
Contract Begin Date		Contract End Date	
08/12/2002		12/31/2008	
Allotment Code	Cost Center	Object Code	Fund
318.65	See Attached	083	11
		Grant	Grant Code
		X on STARS	
FY	State Funds	Federal Funds	Total Contract Amount (including ALL amendments)
2003	\$1,732,924.21	\$15,596,317.85	\$17,329,242.06
2004	\$2,774,088.71	\$8,322,266.13	\$11,096,354.84
2005	\$3,693,977.31	\$11,081,931.93	\$14,775,909.24
2006	\$4,678,875.48	\$14,036,626.43	\$18,715,501.91
2007	\$3,886,786.35	\$12,348,450.08	\$16,235,236.43
2008	\$5,438,228.91	\$16,718,628.86	\$22,156,857.77
2009	\$3,003,563.51	\$9,782,452.59	\$12,786,016.10
Total:	\$25,208,444.48	\$87,886,673.87	\$113,095,118.35
CFDA #	93.778 Dept. of Health & Human Services/Title XIX		Check the box ONLY if the answer is YES:
State Fiscal Contact		Is the Contractor a SUBRECIPIENT? (per OMB A-133)	
Name:	Scott Pierce	Is the Contractor a VENDOR? (per OMB A-133)	
Address:	310 Great Circle Road Nashville, TN		
Phone:	(615) 507-6415	Is the Fiscal Year Funding STRICTLY LIMITED?	
Procuring Agency Budget Officer Approval Signature		Is the Contractor on STARS?	
 Scott Pierce		Is the Contractor's FORM W-9 ATTACHED?	
		Is the Contractors Form W-9 Filed with Accounts?	
COMPLETE FOR ALL AMENDMENTS (only)		Funding Certification	
	Base Contract & Prior Amendments	This Amendment ONLY	Pursuant to T.C.A., Section 9-6-113, I, M. D. Goetz, Jr., Commissioner of Finance and Administration, do hereby certify that there is a balance in the appropriation from which this obligation is required to be paid that is not otherwise encumbered to pay obligations previously incurred.
END DATE →	06/30/2007	12/31/2008	
FY: 2003	\$17,329,242.06		
FY: 2004	\$11,096,354.84		
FY: 2005	\$14,775,909.24		
FY: 2006	\$18,715,501.91		
FY: 2007	\$10,740,139.95	\$5,495,096.48	
FY: 2008		\$22,156,857.77	
FY: 2009		\$12,786,016.10	
Total:	\$72,657,148.00	\$40,437,970.35	

**AMENDMENT NO 6
TO CONTRACT
FA-03-15069-00
BETWEEN THE STATE OF TENNESSEE,
DEPARTMENT OF FINANCE AND ADMINISTRATION
TENNCARE BUREAU
AND**

Electronic Data Systems Corporation and EDS Information Service, L. L. C. ("EIS")

This Contract, by and between the State of Tennessee, Department of Finance and Administration, Bureau of TennCare, hereinafter referred to as the **State** and Electronic Data Systems Corporation and EDS Information Service, L.L.C. ("EIS") hereinafter referred to as the **Contractor** is hereby amended as follows:

1. Amend Section B of Contract by deleting it in its entirety and substituting with the following:

B. CONTRACT TERM:

B.1 Contract Term. This Contract shall be effective for the period commencing on August 12, 2002, and ending on December 31, 2008. The State shall have no obligation for services rendered by the Contractor which are not performed within the specified period.

B.2 Term Extension. The State reserves the right to extend this Contract for an additional six (6) months, provided that the State notifies the Contractor in writing of its intention to do so at least one hundred eighty (180) days prior to the contract expiration date. An extension of the term of this Contract will be effected through an amendment to the Contract. If the extension of the Contract necessitates additional funding beyond that which was included in the original Contract, the increase in the State's maximum liability will also be effected through an amendment to the Contract and shall be based upon rates provided for in the original contract.

2. Amend Section C.1.1 of the Contract by deleting it in its entirety and substituting with the following:

In no event shall the maximum liability of the State under this Contract, and any and all amendments thereto exceed One hundred thirteen million, ninety-five thousand, one hundred eighteen dollars and thirty-five cents (\$113,095,118.35) for professional services pursuant to this Contract (*id.est.*, implementation Phase I, II and III, facilities manager services and maintenance staffing). The Service Rates in Section C.3 shall constitute the entire compensation due the Contractor for the service and all of the Contractor's obligations hereunder regardless of the difficulty, materials or equipment required. The Services Rates include, but are not limited to, all applicable taxes, fees, overheads, and all other direct and indirect costs incurred or to be incurred by the Contractor.

The Contractor is not entitled to be paid the maximum liability for any period under the Contract or any extensions of the Contract for work not requested by the State. The maximum liability represents available funds for payment of the Contractor and does not guarantee payment of any such funds to the Contractor under this Contract unless the State requests work and the Contractor performs said work. In which case, the Contractor shall be paid in accordance with the Service Rates detailed in Section C.3. The State is under no obligation to request work from the Contractor in any specific dollar amounts or to request any work at all from the Contractor during any period of this Contract.

3. Amend Section C.3. of the Contract by deleting it in its entirety and substituting with the following:

Payment Methodology- Pass-Through Cost Payments -The State shall reimburse the Contractor for pass-through costs on the basis of actual cost. Pass-through costs shall not include any overhead, administrative, or other fee or commission. The Contractor shall invoice the State for a reimbursement of pass-through costs on a monthly basis, in addition to the regular invoice for professional services provided pursuant to this Contract. The monthly petition for reimbursement of pass-through costs shall include substantiating documentation.

Professional Service Payments - The State shall compensate the Contractor based on the Service Rates set forth herein for units of service authorized by the State in a total amount not to exceed the Contract Maximum Liability established in Section C.1.

Hardware and software maintenance payments – The State may request the contractor purchase licenses or maintenance for hardware and software for the TCMIS. The State shall reimburse the Contractor for hardware and software products and maintenance purchased by request of the State based on the actual cost plus an administrative fee in the amount of twenty-one percent (21%) of the actual cost. The Contractor shall petition the State for a reimbursement of maintenance costs on a monthly basis, in addition to the regular invoice for professional services provided pursuant to this Contract, and any and all amendments thereto. The monthly petition for reimbursement of maintenance costs shall include substantiating documentation.

TCMIS Replacement Design, Development, and Implementation compensation shall be based on the Milestone payments for each component of DDI Phase I, Phase II, and Phase III as detailed below for units of service authorized by the State. The Contractor shall submit monthly invoices, in form and substance agreed to with the State with reasonable supporting documentation necessary to verify the accuracy of the invoice, prior to any payment. Such invoices shall be submitted for project milestones for the amount stipulated, provided, however, that payment by the State to the Contractor does not indicate approval of such milestones, which may only be evidenced by a signed State approval letter for each deliverable. In the event that the milestone is never approved by the State because the Contractor failed to perform its obligations under this Contract, or

any and all amendments thereto, the State does not waive any rights provided herein.

PHASE:	MILESTONE PAYMENT
DDI PHASE I:	
Design Kick-off Phase (3% of the grand total for DDI milestone payments)	\$ 595,578.10
Design Phase (3% of the grand total for DDI milestone payments)	\$ 595,578.10
Construction Phase (1% of the grand total for DDI milestone payments)	\$ 171,864.28
Acceptance Testing (3% of the grand total for DDI milestone payments)	\$ 509,338.39
Implementation (4% of the grand total for DDI milestone payments)	\$ 764,007.59
DDI PHASE II:	
Design Kick-off Phase (7% of the grand total for DDI milestone payments)	\$ 1,379,410.48
Design Phase (21% of the grand total for DDI milestone payments)	\$ 4,057,067.41
Construction Phase (12% of the grand total for DDI milestone payments)	\$ 2,286,763.25
Acceptance Testing (12% of the grand total for DDI milestone payments)	\$ 2,286,763.25
Implementation (20% of the grand total for DDI milestone payments)	\$ 3,811,272.09
DDI PHASE III	
Design Phase 2%	\$ 233,226.67
Construction Phase 1%	\$ 131,458.05
Acceptance Phase 1%	\$ 131,458.05
Implementation Phase 2%	\$ 219,096.58
TCMIS CERTIFICATION:	
TCMIS Certification for DDI Phase I, DDI Phase II and Phase III (10% of the grand total for DDI milestone payments)	\$ 1,974,988.58
GRAND TOTAL OF ALL DDI MILESTONE PAYMENTS:	\$ 19,147,870.87

Facilities Manager Services compensation shall be based on the Payment Amounts detailed below for units of service authorized by the State. The

Contractor shall submit monthly invoices, in form and substance acceptable to the State with all of the necessary supporting documentation, prior to any payment. Said monthly invoices shall be in an amount equal to the maximum amount per period, detailed below, divided by the number of calendar months in the subject period (the divisor shall be twelve (12) after the first period of service).

If, for any reason, the Contractor does not fully meet the operational start date for the functionalities, as described in this Contract as amended by Amendment No. 2 and/or Amendment No. 3, for the Replacement TCMIS phases, and a contract amendment delaying this date or start-up of a portion of the processing requirements listed has not been approved or such delay is not otherwise excused, then the Contractor shall be liable for the reasonable excess costs incurred by the State to continue current operations as compared to the anticipated costs of operating the Replacement TCMIS.

PERIOD OF FACILITIES MANAGER SERVICE	MAXIMUM AMOUNT PER PERIOD
Facilities Manager Services (contract section A.5) start through 6/30/2003	\$ 123,333.34
Facilities Manager Services (contract section A.5) 7/1/2003—11/30/2003	\$ 433,333.33
Facilities Manager Services (contract section A.5) 12/1/2003—6/30/2004	\$ 6,753,297.78
Facilities Manager Services (contract section A.5) 7/1/2004—6/30/2005	\$ 11,086,848.00
Facilities Manager Services (contract section A.5) 7/1/2005—6/30/2006	\$ 10,916,409.00
Facilities Manager Services (contract section A.5) 7/1/2006—6/30/2007	\$ 10,812,801.00
Facilities Manager Services (contract section A.5) 7/1/2007—6/30/2008	\$ 9,826,047.90
Facilities Manager Services (contract section A.5) 7/1/2008—12/31/2008	\$ 5,158,675.15
Facilities Manager Services (contract section A.5) 1/1/2009—6/30/2009 (Option Period)	\$ 5,158,675.15

Medical Eligibility (ME) Services (as described in Attachment B) compensation shall be based on Payment Amounts detailed below (Medical Eligibility Processing) for units of service authorized by the State. The Contractor shall submit monthly invoices, in form and substance acceptable to the State with all of the necessary supporting documentation, prior to any payment. Said monthly invoices shall be in an amount equal to the maximum amount per period detailed below divided by the number of calendar months in the subject period (the divisor shall be twelve (12) after the first period of service). This payment schedule will end December 31, 2006.

MEDICAL ELIGIBILITY PROCESSING	MAXIMUM AMOUNT PER PERIOD
ME Services 7/1/2004 – 6/30/2005	\$ 1,415,499.00
ME Services 7/1/2005 – 6/30/2006	\$ 1,489,362.00
ME Services 7/1/2006 – 12/31/2006	\$ 787,124.00

Beginning January 1, 2007, **Medical Eligibility (ME) Services** compensation shall be based on a unit price detailed below (Medical Eligibility Processing) for units of service authorized by the State and shall include any costs associated with microfilm processing. The microfilm costs shall be a pass-through cost as evidenced by vendor invoices. The Contractor shall submit monthly invoices, in form and substance agreed to with the State with reasonable supporting documentation necessary to verify the accuracy of the invoice, prior to any payment. Said monthly invoices shall be in an amount equal to the number of units processed multiplied by the per unit charge. Should any material changes to the packet or processing requirements arise due to changes in the Bureau's policy or program, the State and the Contractor, by mutual agreement, will propose an amendment to this Contract.

Each packet has an individual Internal Control Number (ICN) which is an eleven digit number (YJJJMBBSSS), consisting of one digit for the year (Y), three digits for the Julian date of receipt (JJJ), one digit for the media code (M), three digits for the batch number (BBB), and three digits for the sequence number (SSS). An individual enrollee may have multiple packets. A unit is a packet with a unique ICN. The Contractor shall maintain copies of the packets.

PERIOD OF ME PACKET TRANSACTIONS	FIXED FEE PER TRANSACTION
ME Packet Transactions 1/1/2007 – 6/30/2007	\$ 16.00
ME Packet Transactions 7/1/2007 – 6/30/2008	\$ 16.00
ME Packet Transactions 7/1/2008 – 12/31/2008	\$ 16.00
ME Packet Transactions 1/1/2009 – 6/30/2009 (Option Period)	\$ 16.00

MCO Address Change Services (as described in Attachment B) compensation shall be based on a unit price detailed below (MCO Address Change Transactions) for units of service authorized by the State. One unit of service is defined as one request to change a recipient address. The Contractor shall submit monthly invoices, in form and substance agreed to with the State with reasonable supporting documentation necessary to verify the accuracy of the invoice, prior to any payment. Said monthly invoices shall be in an amount equal to the number of units processed multiplied by the per unit charge. Should any material changes to the MCO Address Change processing requirements arise due to changes in the Bureau's policy or program, the State and the Contractor, by mutual agreement, will propose an amendment to this Contract.

The Contractor shall process the MCO Address Change within five (5) business days of receipt.

PERIOD OF MCO ADDRESS CHANGE TRANSACTIONS	FIXED FEE PER TRANSACTION
MCO Address Change Transactions 1/1/2007 – 6/30/2007	\$ 1.34
MCO Address Change Transactions 7/1/2007 – 6/30/2008	\$ 1.36
MCO Address Change Transactions 7/1/2008 – 12/31/2008	\$ 1.43
MCO Address Change Transactions 1/1/2009 – 6/30/2009 (Option Period)	\$ 1.43

Undeliverable Correspondence Services (as described in Attachment B) compensation shall be based on a unit price detailed below (Undeliverable Transactions) for units of service authorized by the State. The Contractor shall submit monthly invoices, in form and substance agreed to with the State with reasonable supporting documentation necessary to verify the accuracy of the invoice, prior to any payment. Said monthly invoices shall be in an amount equal to the number of units processed multiplied by the per unit charge. Should any material changes to the Undeliverable processing requirements arise due to changes in the Bureau's policy or program, the State and the Contractor, by mutual agreement, will propose an amendment to this Contract.

PERIOD OF UNDELIVERABLE TRANSACTIONS	FIXED FEE PER TRANSACTION
Undeliverable Transactions 1/1/2007 – 6/30/2007	\$ 0.63
Undeliverable Transactions 7/1/2007 – 6/30/2008	\$ 0.65
Undeliverable Transactions 7/1/2008 – 12/31/2008	\$ 0.68
Undeliverable Transactions 1/1/2009 – 6/30/2009 (Option Period)	\$ 0.68

Modifications and Enhancement Staffing compensation shall be based on the Payment Rates detailed below for units of service authorized by the State. The State shall compensate the Contractor for Change Order (Project Change Request) work based on the hourly rates below, subject to the total amount for each change request not to exceed the written estimate agreed upon by the State and the Contractor. The Contractor shall submit invoices no more often than monthly for completed work, in form and substance acceptable to the State with all of the necessary supporting documentation, prior to any payment. Such invoices shall, at a minimum, include the name of each individual, the individual's job title, the number of hours worked during the period, the applicable Payment Rate, the total compensation requested for the individual, and the total amount due the Contractor for the period requested.

All Systems/Project Change Requests submitted for implementation and approval must include timeframes, FTE hours, and any other needed resources which have been mutually agreed upon by the State and the Contractor. The Contractor is required to have State approval prior to beginning any work on a change request. Should the State or the Contractor determine that any changes in hours, resources or timeframes are needed; an amended change request must be submitted to the State for approval prior to the beginning of any new work, resources or timeframes being utilized.

The State shall continue to monitor the ongoing hourly cost of the System/Project Change Requests and will determine the appropriate number of FTEs needed to convert this function from an hourly to FTEs. Should it become apparent that it would be in the best interest of the State for the Contractor to add full-time staff for this function, the State and the Contractor, by mutual agreement, will negotiate an Amendment to this Contract.

Travel: The Contractor shall not be compensated for travel time to the primary location of service provision. However, the State agrees to reimburse the Project Manager for travel expenses relating to special projects as defined by the State and necessary to implement changes to the TennCare program regarding enrollment, eligibility, benefits or any other changes required by federal or state law, regulation or policy or by federal or state court order and as approved by the State. Compensation for travel expenses shall be in accordance with C.4 of this Contract, and any and all amendments thereto.

MODIFICATION ENHANCEMENT LABOR CATEGORY	HOURLY RATE						
	Start – 6/30/2003	7/1/2003 – 6/30/2004	7/1/2004 – 6/30/2005	7/1/2005 – 6/30/2006	7/1/2006 – 12/31/2006	1/1/2007 – 6/30/2007	7/1/2007 – 6/30/2008
Senior Systems Analyst (10+ years)	\$87.28	\$89.37	\$91.52	\$93.72	\$95.97	NA	NA
Systems Analyst (1-9 years)	\$84.63	\$86.66	\$88.74	\$90.87	\$93.05	NA	NA
Programmer Analyst III (5+ years)	\$69.75	\$71.42	\$73.14	\$74.89	\$76.69	NA	NA
Programmer Analyst II (2-4 years)	\$65.00	\$66.56	\$68.16	\$69.79	\$71.47	NA	NA
Programmer Analyst I (0-1 years)	\$57.50	\$58.88	\$60.29	\$61.74	\$63.22	NA	NA
Documentation Specialist	\$43.66	\$44.71	\$45.78	\$46.88	\$48.00	NA	NA
Project Manager	NA	NA	\$144.84	\$150.81	\$158.15	NA	NA
General Support Clerk	NA	NA	\$33.63	\$34.43	\$35.26	NA	NA

Systems Increased Staff compensation shall be based on the Payment Amounts detailed below (Systems Increased Staff Costs) for units of service authorized by the State. The Contractor shall submit monthly invoices, in form and substance acceptable to the State with all reasonable supporting documentation necessary to verify the accuracy of the invoice, prior to any payment. Said monthly invoices shall be in an amount equal to the maximum amount per period detailed in the Systems Increased Staff below, multiplied by the percentage of the total contract period hours provided during the month as detailed in Section B.8.2 of the Contract.

PERIOD OF SYSTEMS INCREASED STAFF COSTS	MAXIMUM AMOUNT PER PERIOD
Systems Team Support 1/1/2007 – 6/30/2007	\$ 3,374,800
Systems Team Support 7/1/2007 – 6/30/2008	\$ 6,506,800
Systems Team Support 7/1/2008 – 12/31/2008	\$ 3,416,400
Systems Team Support 1/1/2009 – 6/30/2009 – Open Period	\$ 3,416,400

The State shall require retention of payment in the amount equal to fifteen percent (15%) of each monthly System Increased Staff invoice. This retention of payment shall be held until the satisfaction of quarterly deliverable objective(s), with new funds accruing for each set of quarterly deliverable(s). Each quarter will accrue a separate set of funds to be associated with a separate set of objective(s). Within forty-five (45) days in advance of each fiscal quarter, the State and the Contractor shall meet and mutually agree upon the primary deliverable(s), and the incentives for the next quarter, or any future quarter, to receive release on that quarter's retained payment. These primary deliverable(s) and objective(s) will be reviewed for completion based upon the attained delivery date. The primary deliverable(s) shall be tied to work being performed on projects prioritized by the State, and when set, reviewed as achievable based on existing and future project workload. Once set, these metrics and primary deliverable(s) shall be documented by control letter and cannot be changed without mutual agreement.

In addition, the State and the Contractor shall meet monthly to review the status towards fulfillment of the primary objective(s) and to mutually agree upon secondary deliverable(s) to be delivered within the quarter. No secondary deliverable(s) shall be assigned beyond day sixty (60) of the current quarter. When being set, consideration shall be given to the current work effort associated with the primary deliverable(s) and other assigned priority systems work. These secondary deliverable(s) objective(s) shall be reviewed for completion based upon the attained delivery date.

The fifteen percent (15%) retained funds shall be allocated amongst the deliverables at the joint meetings. Of the retained amount, a minimum of eighty

percent (80%) shall be allocated to the primary deliverable(s) identified in the quarterly meeting. The remaining twenty percent (20%) shall be held and allocated through the meetings regarding secondary deliverables. If no secondary deliverables are identified, the twenty percent (20%) of the retained funds will be released and not reallocated to the primary deliverables. The retained funds, and any incentive funds, will be released upon submission of the deliverables, marked as priority, secondary, during the quarterly or monthly meeting. Retained funds shall not be held due to any failure or delay that is related directly or indirectly to any State (including its agents and contractors) action or omission or State (including its agents and contractors) failure to meet its responsibilities, or any change in previously agreed upon deliverables.

Should there be no mutually agreed upon primary deliverable(s) for the fiscal quarter, then one half (1/2) of the quarterly withheld shall be satisfied through the secondary deliverable(s). The remaining one half (1/2) will be held until both parties work in good faith to come to agreement on objectives, deliverables and scope.

If the Contractor fails to meet the previously mutually agreed upon deliverables, the State may retain a portion of the withheld funds based upon the following schedule:

Calendar Days Late in Completing an Objective	% Forfeited
4 – 10 days	10%
11 – 20 days	20%
21 – 30 days	30%
31 – 45 days	40%
46 – 60 days	75%
61 + days	100%

The State may choose to release forfeited funds for the completion of prior quarter deliverables or the completion of current quarter deliverables.

National Provider Identifier (NPI) System Enhancements compensation shall be based on the Payment Amounts detailed below (NPI System Enhancement Costs) for units of service authorized by the State. The Contractor shall submit monthly invoices, in form and substance agreed to by the State with reasonable supporting documentation necessary to verify the accuracy of the invoice, prior to any payment. Said monthly invoices shall be in an amount equal to the maximum amount per period detailed below divided by the number of calendar months in the subject period (the divisor shall be twelve (12) after the first period of service).

PERIOD OF NPI SYSTEM ENHANCEMENT	MAXIMUM AMOUNT PER PERIOD
NPI Systems Enhancement 1/1/2007 – 6/30/2007	\$ 2,500,000
NPI Systems Enhancement 7/1/2007 – 12/31/2007	\$ 2,500,000

The State shall require retention of payment in the amount equal to fifteen percent (15%) of each monthly NPI invoice. This retention of payment shall be held until the satisfaction of quarterly deliverable objective(s), with new funds accruing for each set of quarterly deliverable(s). Each quarter shall accrue a separate set of funds to be associated with a separate set of objective(s). Within forty-five (45) days of the beginning of each fiscal quarter, the State and the Contractor shall meet and mutually agree upon the deliverable(s) and the incentives for the next quarter, or any future quarter, to receive release on that quarter's retained payment. These deliverable(s) objective(s) shall be reviewed for completion based upon the attained delivery date. The deliverable(s) will be tied to work being performed on projects prioritized by the State, and when set, reviewed as achievable based on existing and future project workload. Once set, these metrics and deliverable(s) can not be changed without mutual agreement.

The fifteen percent (15%) retained funds shall be allocated amongst the deliverables at the joint meetings. Should there be no mutually agreed upon primary deliverable(s) for the fiscal quarter, the retained funds shall be released. The retained, and any incentive, funds, shall be released upon submission of the deliverable(s). Retained funds shall not be held due to any failure or delay that is related directly or indirectly to any State (including its agents or other contractors) action or omission or State (including its agents or other contractors) failure to meet its responsibilities, or any change in previously agreed-upon deliverables.

If the Contractor fails to meet the previously mutually agreed-upon deliverables, the State may retain a portion of the withheld funds based upon the following schedule:

Calendar Days Late in Completing an Objective	% Forfeited
4 – 10 days	10%
11 – 20 days	20%
21 – 30 days	30%
31 – 45 days	40%
46 – 60 days	75%
61 + days	100%

The State may choose to release forfeited funds for the completion of prior quarter deliverables or the completion of current quarter deliverables.

Production Servers Support (as described in Attachment B) compensation shall be based on the Payment Amounts detailed below (Production Server Support Costs) for units of service authorized by the State. The Contractor shall submit monthly invoices, in form and substance agreed to with the State with reasonable supporting documentation necessary to verify the accuracy of the invoice, prior to any payment. Said monthly invoices shall be in an amount equal to the maximum amount per period detailed below divided by the number of calendar months in the subject period (the divisor shall be twelve (12) after the first period of service).

Pursuant to Section E.5 of the Contract, the State may, at its convenience and without cause, exercise a partial takeover of any service which the Contractor is obligated to perform under this Contract, and any and all amendments thereto. The Contractor shall be given at least thirty (30) days prior written notice and the date of the said assumption and the State shall be responsible for the Contractors reasonable costs in discontinuing and transferring those functions to the State.

PERIOD OF PRODUCTION SERVER SUPPORT COST	MAXIMUM AMOUNT PER PERIOD
Production Server Support 7/1/2004 - 6/30/2005	\$ 219,255
Production Server Support 7/1/2005 - 6/30/2006	\$ 232,316
Production Server Support 7/1/2006 - 6/30/2007	\$ 246,161
Production Server Support 7/1/2007 - 6/30/2008	\$ 218,537
Production Server Support 7/1/2008 – 12/31/2008	\$114, 732
Production Server Support 1/1/2009 – 6/30/2009 (Option Period)	\$114,732

Non Production Servers Support (as described in Attachment B) compensation shall be based on the Payment Amounts detailed below (Non Production Server Support Costs) for units of service authorized by the State. The Contractor shall submit monthly invoices, in form and substance agreed to with the State with reasonable supporting documentation necessary to verify the accuracy of the invoice, prior to any payment. Said monthly invoices shall be in an amount equal to the maximum amount per period detailed below divided by the number of calendar months in the subject period (the divisor shall be twelve (12) after the first period of service).

PERIOD OF NON PRODUCTION SERVER SUPPORT COST	MAXIMUM AMOUNT PER PERIOD
Non Production Server Support 7/1/2004- 6/30/2005	\$ 387,647
Non Production Server Support 7/1/2005—6/30/2006	\$ 410,755
Non Production Server Support 7/1/2006—6/30/2007	\$ 435,250
Non Production Server Support 7/1/2007—6/30/2008	\$ 450,135
Non Production Server Support 7/1/2008—12/31/2008	\$ 236,321
Non Production Server Support 1/1/2009—6/30/2009 (Option Period)	\$ 236,321

Suspense Processing Services (as described in Attachment B) compensation shall be based on Payment Amounts detailed below (Suspense Processing Costs) for units of service authorized by the State. The Contractor shall submit monthly invoices, in form and substance agreed to with the State with all necessary supporting documentation, prior to any payment. Said monthly invoices shall be in an amount equal to the maximum amount per period detailed below divided by the number of calendar months in the subject period (the divisor shall be twelve (12) after the first period of service).

PERIOD OF SUSPENSE TRANSACTIONS	MAXIMUM AMOUNT PER PERIOD
Suspense Transactions 1/1/2007 – 6/30/2007	\$ 177,600
Suspense Transactions 7/1/2007 – 6/30/2008	\$ 400,800
Suspense Transactions 7/1/2008 – 12/31/2008	\$ 184,800
Suspense Transactions 1/1/2009 – 6/30/2009 – (Option Period)	\$ 184,800

Customer Service Support (as described in Attachment B) compensation shall be based on the Payment Amounts detailed below (Customer Service Support Costs) for units of service authorized by the State. The Contractor shall submit monthly invoices, in form and substance agreed to with the State with reasonable supporting documentation necessary to verify the accuracy of the invoice, prior to any payment. Said monthly invoices shall be in an amount equal to the maximum amount per period detailed below divided by the number of calendar months in the subject period (the divisor shall be twelve (12) after the first period of service).

PERIOD OF CUSTOMER SERVICE SUPPORT COST	MAXIMUM AMOUNT PER PERIOD
Customer Service Support 1/1/2007 – 6/30/2007	\$ 166,200
Customer Service Support 7/1/2007 – 6/30/2008	\$ 349,200
Customer Service Support 7/1/2008 – 12/30/2008	\$ 183,330
Customer Service Support 1/1/2009 – 6/30/2009 (Option Period)	\$ 183,330

Third Party Liability Processing (as described in Attachment B) compensation shall be based on the Payment Amounts detailed below (Third Party Liability Processing Support Costs) for units of service authorized by the State. The Contractor shall submit monthly invoices, in form and substance agreed to with the State with reasonable supporting documentation necessary to verify the

accuracy of the invoice, prior to any payment. Said monthly invoices shall be in an amount equal to the maximum amount per period detailed below divided by the number of calendar months in the subject period (the divisor shall be twelve (12) after the first period of service).

PERIOD OF TPL PROCESSING SUPPORT COST	MAXIMUM AMOUNT PER PERIOD
TPL Processing Support 1/1/2007—6/30/2007	\$ 404,000
TPL Processing Support 7/1/2007—6/30/2008	\$ 848,000
TPL Processing Support 7/1/2008 – 12/31/2008	\$ 445, 416
TPL Processing Support 1/1/2009—6/30/2009 (Option Period)	\$ 445, 416

Special Projects Staffing (as described in Attachment B) compensation shall be based on the Payment Rates detailed below for units of service authorized by the State. The State shall compensate the Contractor for Project work based on the hourly rates below. The Contractor shall submit monthly invoices, in form and substance agreed to with the State with reasonable supporting documentation necessary to verify the accuracy of the invoice, prior to any payment. Such invoices shall, at a minimum, include the name of each individual, the individual's job title, the number of hours worked during the period, the applicable Payment Rate, the total compensation requested for the individual, and the total amount due the Contractor for the period invoiced.

Travel: The Contractor shall not be compensated for travel time to the primary location of service provision. However, the State agrees to reimburse the Contractor for travel expenses relating to Special Projects as defined by the State and necessary to implement changes to the TennCare program regarding enrollment, eligibility, benefits or any other changes required by federal or state law, regulation or policy of by federal or state court order. Compensation for travel expenses shall be in accordance with C.4 of the Contract, and any and all amendments thereto. The State shall compensate the Contractor for Project travel based on the current state travel guidelines. The Contractor shall submit monthly invoices, in form and substance agreed to with the State with reasonable supporting documentation necessary to verify the accuracy of the invoice, prior to any payment. Such invoices shall, at a minimum, include the name of each individual, the date of the expense, the nature of the expense and the total amount due the Contractor for the period invoiced.

Category	LABOR JOB CODE	HOURLY RATE				
		7/1/2006- 12/31/2006	1/1/2007- 6/30/2007	7/1/2007- 6/30/2008	7/1/2008- 12/31/2008	1/1/2009- 6/30/2009
Information Specialist	34210	NA	\$104.89	\$108.03	\$111.27	\$111.27
Information Analyst	34200	NA	\$87.56	\$90.19	\$92.90	\$92.90
Information Associate	34330	NA	\$74.19	\$76.42	\$78.71	\$78.71
Business Services Analyst - Senior	34580	NA	\$104.89	\$108.03	\$111.27	\$111.27
Business Services Analyst - Advanced	34570	NA	\$87.56	\$90.19	\$92.90	\$92.90
Business Services Analyst	34560	NA	\$74.19	\$76.42	\$78.71	\$78.71
Technical Delivery Team Manager	122210	NA	\$116.70	\$120.20	\$123.81	\$123.81
Project Manager	12620	NA	\$155.33	\$159.99	\$164.79	\$164.79
Project Analyst - Senior	34830	NA	\$130.09	\$133.99	\$138.01	\$138.01
Project Analyst - Advanced	34820	NA	\$115.13	\$118.59	\$122.15	\$122.15
Project Analyst	34810	NA	\$90.41	\$93.13	\$95.92	\$95.92
Data Base Administrator	31620	NA	\$104.89	\$108.03	\$111.27	\$111.27
Data Base Associate	50860	NA	\$60.86	\$62.69	\$64.57	\$64.57
Infrastructure Specialist Senior	34280	NA	\$126.17	\$129.96	\$133.86	\$133.86
Systems Administrator - Advanced	34070	NA	\$108.99	\$112.26	\$115.63	\$115.63
Systems Administrator	34060	NA	\$75.35	\$77.61	\$79.94	\$79.94
Systems Administrator - Associate	50810	NA	\$60.86	\$62.69	\$64.58	\$64.58
Computer Operator	50020	NA	\$48.52	\$49.97	\$51.47	\$51.47
QA Specialist - Advanced	33200	NA	\$99.64	\$102.63	\$105.71	\$105.71
QA Specialist	33120	NA	\$81.11	\$83.54	\$86.05	\$86.05
Technical Writer	30630	NA	\$62.53	\$64.40	\$66.33	\$66.33
Specialized Support Clerk	70990	NA	\$48.52	\$49.97	\$51.47	\$51.47
General Support Clerk	70970	NA	\$35.26	\$36.32	\$37.41	\$37.41

Excess Operations Transactions (further defined in Section A.7 of this Contract) compensation shall be based on the Payment Amounts detailed below for any transaction units in excess of the contracted thresholds, as authorized by the State. Each threshold will be treated independently with no compensation or deduction for volumes that fall below the threshold. The Contractor shall submit invoices no more often than quarterly (invoices for excess ballots shall be submitted annually), in form and substance agreed to with the State with reasonable supporting documentation necessary to verify the accuracy of the invoice, prior to any payment. Such invoices shall be submitted for completed units of service for the amount stipulated.

TRANSACTION TYPE	FIXED FEE PER TRANSACTION									Option Period
	Start- 6/30/2003	7/1/2003- 6/30/2004	7/1/2004- 6/30/2005	7/1/2005- 6/30/2006	7/1/2006- 12/31/2006	1/1/2007- 6/30/2007	7/1/2007- 6/30/2008	7/1/2008- 12/31/2008	1/1/2009- 6/30/2009	
Claim Transactions	\$0.61	\$0.65	\$0.68	\$0.72	\$0.76	\$0.79	\$0.79	\$0.83	\$0.83	
Encounter Transactions	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Letters	\$0.22	\$0.23	\$0.24	\$0.25	\$0.26	\$0.27	\$0.27	\$0.28	\$0.28	
Daniels Letters	\$0.12	\$0.13	\$0.13	\$0.14	\$0.14	\$0.15	\$0.15	\$0.16	\$0.16	
Premium Statements/Bills	\$0.15	\$0.16	\$0.17	\$0.17	\$0.18	\$0.19	\$0.19	\$0.20	\$0.20	
Suspense Transactions	NA	NA	NA	NA	NA	\$0.84	\$0.95	\$0.88	\$0.88	
Ballots	\$0.07	\$0.07	\$0.07	\$0.08	\$0.08	\$0.09	\$0.09	\$0.09	\$0.09	

4. Amend Section E.2 of the Contract by deleting and substituting the Parties' contact information as follows:

The State:

Commissioner, Bureau of TennCare
Department of Finance and Administration
Brent Antony
Chief Information Officer
310 Great Circle Road
Nashville, TN 37229
Telephone Number (615) 507-6339
Facsimile Number (615) 253-5995

The Contractor

Electronic Data Systems Corporation
David Mills
Client Delivery Executive
310 Great Circle Road
Nashville, TN 37229
Telephone Number (615) 507-6125
Facsimile Number (615) 741-0125

5. Add Section E.36 to Section E of the Contract to read as follows:

E.36 Verification of Information

The Parties acknowledge that the Contractor has not had the opportunity to independently verify the information provided by the State with respect to the project. As a result, during the period of time beginning on the Effective Date and ending ninety (90) days thereafter, the Contractor and the State shall cooperate with each other, and the State shall provide to the Contractor such documents, reports and other information as reasonably necessary or desirable in order for the Parties to verify the accuracy of the information provided to the Contractor and such other matters as the Contractor and the State mutually agree. If, as a result of such due diligence, the Contractor determines that any of the information furnished by the State to the Contractor in connection with this Contract, or any and all amendments thereto, is inaccurate or incomplete in any material respect and it affects the services, costs, or timelines, the Contractor shall give the State written notice thereof, and the Contractor and the State shall review and utilize the current change process to remediate any required changes.

6. Amend Section B.7.2.k.4 of Attachment B by deleting it in its entirety and substituting with the following:

4. Perform the majority of the Replacement TCMIS operations activities and a balanced mixture of the systems maintenance/modifications on-site at the Bureau of TennCare's Nashville facility during the operational period.

7. Amend Section B.7.2.s of Attachment B by deleting it in its entirety and substituting with the following:

Medical Eligibility Processing

1. Inbound ME packet operational processing – Activities are limited to opening, sorting, batching, microfilming, data entry, filing, storing and retrieving packets.
 - a. Retrieve ME Packets from the post office twice daily
 - b. Sort ME Packets from any other mail
 - c. Open the packets with an opening machine
 - d. Deliver packets to the specialize ME processing clerks
 - e. Remove packets from the envelopes
 - f. Prepare batches for microfilming including creation of batch sheets and validating packet completeness
 - g. Microfilm packets
 - h. Research packets and enter the data into the system
 - i. Forward incomplete packets to Bureau
 - j. Prepare packets and deliver to the Bureau
 - k. Key disposition of packets return from the Bureau into the system
 - l. Track undeliverable ME packets and mail again if a new address is available. If no other address is available to resend the packet, it is then to be forwarded to DHS
2. Internal ME packet operational processing – Activities include researching, copying, filing, and other activities as directed by the State.
 - a. File packets according to operational procedures which include segmenting by type, date received, completeness, and other specific criteria as defined by the State
 - b. Respond to requests from the State for copies of specific packets
 - c. Perform research into the status of packets as directed by the State which may include utilizing the system, searching physical files, and searching microfilm
3. ME Packet Processing Performance Standard

The Contractor shall complete processing of all Medical Eligibility (ME) Packets within a maximum of three (3) business days of receipt. The amount of time a packet awaits action by the State is to be excluded from the three (3) business day turn-around requirement.

Upon notice of a deficiency by the State, the Contractor shall propose a Corrective Action Plan (CAP) to remedy said deficiency. If the Contractor fails to complete the mutually agreed upon CAP, liquidated damages may be assessed at a rate of 25% of the current price per ME Packet for each receipt that remains incomplete on the 4th business day up to a maximum of five hundred dollars (\$500) per month.

8. Amend Section B.7.2.t of Attachment B by deleting it in its entirety and substituting with the following:

Production Server Support

1. The Contractor will provide two (2) FTE's to support the Production Windows Dell servers located outside of the OIR data center. This includes the RRI servers located at 310 Great Circle Drive, and the Nice server at the Tennessee Prison for Women. In addition, this includes support for the Kodak Scanstations at 310 Great Circle Road, except for the PC hardware and PC OS.
2. The Contractor shall not be responsible for any hardware, software, support tools, or hardware maintenance agreement costs for any of the servers.
3. The Contractor shall be responsible for the following specific activities:
 - a. Hardware operations and system administration of RRI, Nice, Siebel T-Servers, AEM and AVRS intervoice servers, including maintaining the operating systems, hardware and software patch levels.
 - b. Manage backup of the production servers at 310 Great Circle Road included in the IM implementation footprint servers and coordinate offsite storage.
 - c. Manage restore of data from backup when necessary.
 - d. Management of data storage at 310 Great Circle Road.
 - e. Respond to NOSC alarms/alerts for all identified servers.
 - f. Support in the form of man-time for Hot Site Disaster Recovery testing for operating environment - HW/SW.
 - g. Support in the form of man time for Scanners and Interfaces hardware to scan stations.
 - h. Management of the connectivity to integrate the activities of the servers where required for operations.

9. Amend Section B.7.2.u of Attachment B by deleting it in its entirety and substituting with the following:

Non-Production Server Support:

1. The Contractor shall provide three point two (3.2) FTE's to support the Non-Production TCMIS environments for Development, Training and Test/UAT servers located outside of the OIR data center. This includes all the Sun and Dell servers located at 310 Great Circle Road.
2. The Contractor shall not be responsible for any hardware, software, utilities, support tools, or hardware maintenance agreement costs for any of the servers.
3. The Contractor shall be responsible for the following specific activities:
 - a. First line support for all hardware operations and system administration of the non-production Sun and Dell servers, including maintaining the operating systems, hardware, software patch levels, and antivirus protection levels. This includes support for related network switches as listed in Attachment L.
 - b. Manage backup of the non-production servers at 310 Great Circle Road and coordinate offsite storage.
 - c. Manage restore of data from backup when necessary.
 - d. Management of data storage at 310 Great Circle Road.
 - e. Respond to NOSC alarms/alerts for all identified servers.
 - f. Support Hot Site Disaster Recovery testing for operating environment - HW/SW.
 - g. Management of the connectivity to integrate the activities of the servers where required for operations.
 - h. Provide support for the infrastructure database of all TCMIS assets and support contact information for the OIR Help Desk and Data Center.
4. Nonproduction and Production Servers are listed in Attachment L. Movement of any of the Servers to a different location will not affect the terms of this Section of the Contract, or any and all amendments thereto. The Contractor shall prepare the supported Servers for moving to any new TennCare building location and reinstalling the Servers in the new location. The State and the Contractor shall negotiate the terms of the Server support should there be a significant increase or reduction in the number of Servers supported.

10. Add Section B.7.2.v to Attachment B to read as follows:

Suspense Processing Support:

1. The Contractor shall provide One (1) full-time Claims Manager to support processing of all proposed suspense processing.

2. The Contractor shall provide five (5) full-time Specialized support Clerks to perform the suspense resolution activities. Suspense resolution activities include accessing the pending claims file, selecting the pending claim to be resolved, reviewing all claim images associated with the pending claim to check for keying errors and following the approved procedures for resolving the edits set on the claim record until the claim is in an adjudicated status. This staff shall support the resolution of 8,100 claims per week. In the event that policy changes or other external factors cause an increase in the weekly suspense volumes, the excess volume shall be invoiced by the Contractor by the quarterly Excess Operations Transactions under the Transaction Type of Suspense Transactions.
3. The Contractor shall be responsible for the following specific start up activities during the initial implementation period (the three (3) months following the execution of Amendment Six):
 - a. Develop a comprehensive Claims Adjudication Manual for approval by the State.
 - b. Establish appropriate State review, approval and sign-off procedures for the Claims Adjudication Manual to ensure procedures meet the intent of Bureau of TennCare policy.
 - c. Establish preliminary production standards which will be adjusted as experience is gained and standards are validated.
 - d. Identify and hire staff based on ongoing suspense level projections of 8,100 suspended claims per week.
 - e. Develop training for the staff to include plans for cross-training resolution staff in all edits and audits.
 - f. Establish facility and infrastructure requirements to accommodate a centralized organization for resolution of claims.
 - g. Develop reporting of claims processing metrics for monthly status reporting to the Bureau Business Owner.
4. The Contractor shall be responsible for the following specific ongoing activities during the operations period (October 2006 through end of extension year):
 - a. Serve as liaison in managing claims adjudication with the Bureau's Business Unit responsible for claims processing, the Contractor's project manager and system team leader responsible for claims processing.
 - b. Participate in change management activities to ensure procedures and processes are updated when system or policy changes are implemented.
 - c. Provide regular reporting of status to Bureau Business User.

- d. Schedule work for suspense resolution staff for production of 8,100 claims are resolved to completion each week.

5. **Suspense Processing Performance Standards:**

The Contractor shall complete processing of all Suspense receipts received after the execution of Amendment Six, according to the standards set by CMS. Ninety Percent (90%) of all clean claims will be processed to a disposition outside the Contractor's responsibility within thirty (30) days of receipt. Ninety Nine Percent (99%) of all clean claims will be processed to a disposition outside the Contractor's responsibility within ninety (90) days of receipt. One Hundred Percent (100%) of all clean claims will be processed to a disposition outside the Contractor's responsibility within 365 days of receipt.

Any backlog of suspended claims, on the date Amendment Six is executed, shall be completed within ninety (90) days of Contractor receiving the State's approval of the adjudication guidelines for each edit.

Upon notice of a deficiency by the State, the Contractor shall propose a Corrective Action Plan (CAP) to remedy said deficiency. If the Contractor fails to complete the mutually agreed upon CAP, liquidated damages may be assessed at a rate of 25% of the current price per suspense transaction for each receipt that remains unprocessed below the threshold up to a maximum of five hundred dollars (\$500) per month.

11. **Add Section B.7.2.w to Attachment B to read as follows:**

Special Project Support:

There will be new projects that do not fall within normal change requests categories. These are typically large projects such as the recent Reform initiative where the level of effort is significant and the duration is extended. These projects will not go through the normal change process and will be staffed and managed through dedicated resources, using the billable rates defined in the Contract, and any and all amendments thereto.

1. The Change Control Board (CCB) will be the avenue to designate a project as a Special Project. Once a project is designated as special, the Contractor will work with the State to perform an estimate and procure the additional funding approval.
2. The criteria for a Special Project are as follows:
 - a. The requirements of the project are such that they cannot be performed using the existing staff or skill sets.
 - b. The duration of the project is extended. The State concludes that if the expected duration of this project is to extend beyond six (6) months, this be categorized as a Special Project.

- c. The number of resources is expected to be considerable. The State concludes that if the expected staffing for a change is more than five (5) dedicated resources, then the project be considered a Special Project.
- d. The project is of such complexity that a dedicated Project Manager is required.

12. Add Section B.7.2.x to Attachment B to read as follows:

MCO Address Change Processing – The Contractor shall be required to complete the following steps:

1. Obtain and file reports that are generated from the 834 file.
2. Stamp the report with date of receipt and logged it into MCO tracking report.
3. Research the address to determine if the change meets the required criteria for manual update.
4. Update all addresses that meet the change criteria into interChange.
5. Perform quality control review on updates to insure accuracy.
6. Forward a copy of all addresses that meet the forwarding criteria to the appropriate facility.

MCO Address Change Processing Performance Standard:

The Contractor shall complete processing of all MCO Address Changes within a maximum of three (3) business days of receipt. The amount of time an address change awaits State action is to be excluded from the three (3) business day turn-around requirement.

Upon notice of a deficiency by the State, the Contractor shall propose a Corrective Action Plan (CAP) to remedy said deficiency. If the Contractor fails to complete the mutually agreed upon CAP, liquidated damages may be assessed at a rate of 25% of the current price per MCO Address Change for each receipt that remains incomplete on the 4th business day up to a maximum of five hundred dollars (\$500) per month.

13. Add Section B.7.2.y to Attachment B to read as follows:

Undeliverable Correspondence Processing – The Contractor shall be required to complete the following steps:

1. Retrieve Undeliverables from the post office.
2. Sort Undeliverables by response type.
3. Prepare and copy Undeliverables (front of the envelope only).

4. Batch and Scan the copies of the Undeliverables.
5. Index Undeliverables.
6. Forward Undeliverables with a forwarding address to the appropriate department for further processing.
7. Open and evaluate the contents of the correspondence.
 - a. Update address in interChange when applicable.
 - b. Remail to the new address.
 - c. Forward Undeliverables that meet the forwarding criteria to the Bureau.
8. Perform quality control on addresses updated in interChange to insure accuracy
9. Update tracking inventory and generate weekly status reporting
10. File and Store Undeliverables

Undeliverable Processing Performance Standard:

The Contractor shall complete processing of all Undeliverable correspondence within a maximum of ten (10) business days of receipt. The amount of time an Undeliverable awaits State action is to be excluded from the ten (10) business day turn-around requirement.

Upon notice of a deficiency by the State, the Contractor shall respond or propose a Corrective Action Plan (CAP) to remedy said deficiency. If the Contractor fails to complete the mutually agreed upon CAP, liquidated damages may be assessed at a rate of 25% of the current price per Undeliverable for each receipt that remains incomplete on the 11th business day up to a maximum of five hundred dollars (\$500) per month.

14. Add Section B.7.2.z to Attachment B to read as follows:

Customer Service Processing – The Contractor shall be required to complete the following steps:

1. Within the customer service/provider relations department, the Contractor would employ one (1) Customer Service/Provider Relations Team Leader, one (1) Adjudication and Training Coordinator and three (3) full time customer service representatives. This staffing level assumes that each Level 2 representative is able to respond to eight to ten calls per day with, at a minimum, a call back to provide a status of the issue. This status may be that the problem is fixed, the resolution has been identified and will be completed within a certain timeframe, or the Contractor is awaiting direction from the State on which action is

necessary. This staffing level shall be evaluated by the Contractor and the State on a quarterly basis to ensure there is adequate staff to meet the call volumes.

2. The Contractor shall be responsible for the following specific start up activities during the initial implementation (the three (3) months following the execution of Amendment Six):

- a. Develop procedures for escalation of issues.
- b. Establish appropriate State review, approval and sign-off of escalation procedures.
- c. Establish preliminary production standards for response which will be adjusted as experience is gained and standards are validated.
- d. Identify and hire staff based on ongoing call level projections – one (1) customer service representation for every forty (40) calls per week.
- e. Develop training for the staff to include escalation points for each level.
- e. Establish facility and infrastructure requirements to accommodate a customer service/provider relations unit.
- f. Develop reporting of call escalation and resolution metrics for monthly status reporting to the Bureau Business Owner.
- g. Assist the State with development of a provider manual.
- h. Develop training materials for providers for submission of crossover claims.

3. The Contractor will be responsible for the following specific ongoing activities during the operations period (October 2006 through end of extension year):

- a. Ensure calls are responded to and resolved within timeframes established between the Contractor and the State.
- b. Serve as a liaison between the State, the Contractor, TPW and the provider, and facilitate weekly business user meetings to include the State, TPW and the Contractor.
- c. Identify and communicate systemic problems to the Contractor's management and the State and assist with resolution.
- d. Participate in change management activities to ensure procedures and processes are updated when system or policy changes are implemented.
- e. Provide regular reporting of status to Bureau Business User organization.

4. Customer Service Processing Performance Standard

The Contractor shall respond to Level 2 requests for support within the stated guideline on at least ninety-nine percent (99%) of the requests. Response is defined as a contact with the user via, in person visit, telephone conversation, voicemail message, or email. Response times are:

Level	Response Time in business hours
2	24 hours
3	4 hours

Upon notice of a deficiency by the State, the Contractor shall propose a Corrective Action Plan (CAP) to remedy said deficiency. If the Contractor fails to complete the mutually agreed upon CAP, liquidated damages may be assessed at a rate of ten dollars (\$10.00) per request for each request not responded to within the 99% % threshold within the Level 1 and Level 2 categories up to a maximum of five hundred dollars (\$500) per month.

15. Add Section B.7.2.aa to Attachment B to read as follows:

Third Party Liability Processing – The Contractor shall be required to complete the following steps:

1. The Contractor shall provide additional staffing for the TPL functions not currently included in the facilities management scope. The Contractor shall employ one (1) full-time TPL Team Leader, two (2) FTEs to receive the questionnaires in the mail, scan them and index the image to a recipient, six point five (6.5) FTEs to perform the manual updates of the returned questionnaires, and two (2) FTEs to perform the contacts with insurance companies.
2. The Contractor shall be responsible for the following specific operational activities related to the processing of Third Party Liability processing:
 - a. Complete testing on all existing TPL components.
 - b. Develop a Cash Control File to allow posting of receipts to reflect reduction as positing occurs.
 - c. Develop a Billing File to allow upload from the TPL contractor and the Contractor's bills.
 - d. Develop a process to post receipts from the cash control file to the billing file and have the billing file update claims history file.
 - e. Re-design the case tracking file to allow on-screen production of claims paid and the amount paid.
 - f. Turn on Case Tracking for Estate/Casualty Case development.
 - g. Produce questionnaires on Estate and Casualty cases when recovery is not reflected.
 - h. Turn on claims production in the Contractor's system to allow billing of UBs and HIC claims to insurance carriers.
 - i. Complete development of the 270/271 Data Exchange and put in place trading partner agreements with all carriers in Tennessee.

- j. Put in place staff to post recoveries from the TPL contractor and all other sources so that receipts are reflected as adjustment to claims.
 - k. Develop the AR system to allow TPL accounts receivable and reflect reduction to accounts on-line as recoupments occur.
 - l. The Contractor personnel shall post checks received as provider refunds for overpayments, as well as Long Term Care insurance payments. Estimated volume of checks received is thirty (30) per day.
 - m. As a part of the systems enhancements, questionnaires will be generated for suspect TPL resource information. These questionnaires will be printed at OIR and mailed out by the Contractor's mail vendor. The Contractor's personnel shall receive the updated questionnaires, scan the forms and index them for future reference. The data on the questionnaires shall be manually uploaded into the system by the Contractor staff. The estimated volume initially approximately 10,000 questionnaires received per week.
3. The Contractor shall be responsible for implementing System Enhancements. The Contractor shall, at the direction of the State, perform a complete development lifecycle on the entire TPL subsystem. As such, a dedicated Project Manager and dedicated project personnel will be assigned. Additionally, the following steps shall be performed:
- a. A complete review of the functionality that already exists in the interChange system.
 - b. A review of this functionality with the TPL unit to review the capabilities and perform a gathering of any additional requirements.
 - c. A thorough design of any changes to the system.
 - d. A complete review of the final tested product for acceptance by the TPL unit.
16. **Amend Section B.7.3 of Attachment B by deleting it in its entirety and substituting with the following:**

Facilities Manager Staffing Requirements

The Contractor shall be required to provide and maintain a staff sufficient to complete all task functions required for the operation of Replacement TCMIS throughout the life of this Contract, and any and all amendments thereto. All personnel shall be the employees of the Contractor and shall be fully qualified to perform the work required in the RFP, the Contract, and any and all amendments thereto.

The State shall have the absolute right to approve or disapprove the Contractor's and any subcontractor's key staff, or to require the removal or reassignment of any key Contractor employee or subcontractor personnel found unacceptable to the State.

The Contractor shall notify the State, in writing, of any change in key personnel at least thirty (30) days prior to the change. The Contractor shall upon request, provide the State with a resume of any member of its staff or subcontractor's staff assigned to any aspect of the performance of this Contract, and any and all Amendments thereto.

In addition, the State reserves the right to reasonably require the removal and/or replacement of any of the Contractor's staff, any subcontractor, or subcontractor's staff. The Contractor shall provide resumes for key personnel as reasonably requested by the State. Key personnel are defined as:

- a. Project Manager.
- b. Operations Processing Manager.
- c. Computer Operations Manager.
- d. TCMIS Systems Manager.
- e. Database Administrator.

17. Amend Section B.7.3.1 (f) of Attachment B by deleting it in its entirety and substituting with the following:

- f. Medical Eligibility Processing

For Period of July 1, 2004 through December 31, 2006

The Contractor shall provide thirteen point eight (13.8) FTE positions as listed below by role and quantities of personnel to support Medical Eligibility Processing. The staff provided shall be in accordance with the Medical Eligibility Processing Proposal submitted to the State. The staffing levels provided are full-time equivalent (FTE), which equates to one hundred and seventy-three (173) hours per month, to include Holidays, Vacation and Sick leave, other leaves of absence, and other administrative/business activities.

Role or Title	Data Entry/Clerical Support – 11 FTE
Role or Title	Systems Support – Systems Engineer – 0.5 FTE
Role or Title	Systems Support – Business Analyst – 2 FTE
Role or Title	Production Control – Data Control Specialist – 0.3 FTE

For the Period of July 1, 2007 through December 31, 2008 with the January 1, 2009 through June 30, 2009 Open Period

The Contractor shall provide sufficient personnel to support Medical Eligibility Processing. Staff provided shall be in accordance with the volume of Medical Eligibility receipts.

18. **Amend Section B.7.3.2 of Attachment B by deleting it in its entirety and substituting with the following:**

Maintenance and User Support Staff

The Maintenance and User Support Staff should include, but not be limited to, the following job codes as defined by the Contractor.

Information Specialist - Senior	34220
Information Specialist	34210
Information Analyst	34200
Information Associate	34330
Business Services Analyst - Senior	34580
Business Services Analyst - Advanced	34570
Business Services Analyst	34560
Technical Delivery Team Manager	12210
Project Manager	12620
Project Analyst - Senior	34830
Project Analyst - Advanced	34820
Project Analyst	34810
Data Base Administrator	31620
Data Base Associate	50860
Infrastructure Specialist Senior	34280
Systems Administrator - Advanced	34070
Systems Administrator	34060
Systems Administrator - Associate	50810
Computer Operator	50020
QA Specialist - Advanced	33200
QA Specialist	33120
Technical Writer	30630
Specialized Support Clerk	70990
General Support Clerk	70970

19. **Amend Section B.7.6 of Attachment B to reflect the change in address for the Bureau of TennCare. The new address shall read as follows:**

310 Great Circle Road

20. **Amend Section B.7.6.k of Attachment B by deleting it in its entirety and substituting with the following:**

Telephones

1. State - provide for State staff
2. State – provide for the Contractor staff using the following rates:
 - a. Monthly service charge per set - \$6.38
 - b. Long Distance for intralata per minute - \$0.072
 - c. Long Distance for interlata per minute - \$0.067

21. **Amend Section B.8 of Attachment B by deleting it in its entirety and substituting with the following:**

Modifications and Enhancements

B.8.1 System Modifications and Enhancements

System modifications and enhancements shall result when the State determines (or when the Contractor determines with State approval) that additional functionality is needed or an additional requirement must be met, which results in a change to existing file structures, data sets, or current processing logic. Examples of system modifications include:

- a. DDI of system capabilities not specified in the RFP, this Contract, and any and all amendments thereto.
- b. DDI of edits not defined in the operational Replacement TCMIS accepted by the State.
- c. Substantial changes to established reports, screens and windows, or electronic formats; addition of new data elements or report elements.
- d. Introduction of a new input form or electronic input format.
- e. Substantial changes in TennCare policies.

B.8.2 Modification and Enhancement Staff

The Contractor shall be required to provide and maintain a modification and enhancement staff to perform the system modifications and enhancements of the TCMIS. The Contractor shall ensure that all staff has the necessary technical background, education, and skills to perform in the various environments necessary to support the TCMIS. TennCare has the right to disapprove a staff person if it deems that person not qualified.

The Contractor will provide a monthly report of time spent by job category for Information Analysts, Business Services Analysts and Project Managers. This time includes all time with the exception of Holidays, Vacations, and Sick time. Based upon the Contractor's staffing levels the minimum number hours are:

Period: January 1, 2007 through June 30, 2007

Job Category	Base Hours	Increased Systems Hours	Total Hours per Fiscal Year
Information Analyst	12,390	34,515	46,905
Business Services Analyst	4,425	8,850	13,275
Project Manager	N/A	5,310	5,310
Total Contract Period Hours			65,490

Period: July 1, 2007 through June 30, 2008

Job Category	Base Hours	Increased Systems Hours	Total Hours per Fiscal Year
Information Analyst	24,780	69,030	93,810
Business Services Analyst	8,850	17,700	26,550
Project Manager	N/A	10,620	10,620
Total Contract Period Hours			130,980

Period: July 1, 2008 through December 31, 2008

Job Category	Base Hours	Increased Systems Hours	Total Hours per Fiscal Year
Information Analyst	12,390	34,515	46,905
Business Services Analyst	4,425	8,850	13,275
Project Manager	N/A	5,310	5,310
Total Contract Period Hours			65,490

Period: January 1, 2009 through June 30, 2009 – Open Period

Job Category	Base Hours	Increased Systems Hours	Total Hours per Fiscal Year
Information Analyst	12,390	34,515	46,905
Business Services Analyst	4,425	8,850	13,275
Project Manager	N/A	5,310	5,310
Total Contract Period Hours			65,490

Team Leaders (TL) and the rest of the Project Management Office (PMO) time including the work planner, release coordinator, change management coordinator, project analyst, and clerk will not be applied to the minimum hours above.

Any enhancement that requires services outside of the existing staff shall be considered a Special Project and will be funded and managed separately from the existing staffing and the existing processes.

B.8.3.a National Provider Identifier (NPI) Enhancement Staff

The Contractor shall be required to provide a NPI Enhancement Staff to perform NPI system enhancements of the TCMIS. These enhancements will be defined and mutually agreed to by the State and the Contractor. The labor associated with defining these enhancements shall be included in the effort included in the NPI production hours. This staff shall be in addition to the current systems staffing. This staff shall be identified by the Contractor as the NPI Enhancement Staff and shall be assigned to the NPI projects as approved by the State.

The NPI Enhancement Staff shall have the necessary technical background, education, and skills required to perform in the various environments necessary to support the TCMIS. TennCare has the right to disapprove a staff person if it deems that person not qualified. This time includes all time with the exception of Holidays, Vacations, and

Sick time. Based upon the Contractor's staffing levels the maximum number of NPI hours already included are:

Period: January 1, 2007 through June 30, 2007

All skill sets total contract period hours	29,750
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Period: July 1, 2007 through December 31, 2007

All skill sets total contract period hours	29,750
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Any NPI enhancement work that requires services beyond that of the contract period hours shall be funded separately using the Blended Rate below.

Period	Blended Rate
NPI Enhancement Staff – 1/1/2007 – 6/30/2007	\$84.04
NPI Enhancement Staff – 7/1/2007 – 12/31/2007	\$84.04

B.8.3 Modification and Enhancement Activities and Milestones

System modifications to the Replacement TCMIS may be initiated by the State or by the Contractor through the submission of a modification request form. The Contractor shall respond, in writing, to modification requests submitted by the State within five (5) business days of receipt. The response shall consist of an acknowledgment of the request and a preliminary assessment of the effort (number of hours) required to complete the change. All modification requests shall be prioritized and approved (or denied or modified) by the State. When the State approves a modification request, the Contractor shall conduct the modification (enhancement) project in accordance with the following system development life cycle (SDLC):

- a. Requirements Definition and Business Design - Results in a business Design Document. The Business Design document shall specify the problem to be addressed, propose a design solution, specify the estimated level of effort and specify the schedule required to design, code, test, and implement the change. The State shall approve the request, assign a priority to it, and establish the expected completion date. At the completion of each step of the modification SDLC, the State shall exercise the option to adjust priority, stop the project, put the project on hold, or authorize the Contractor to proceed.
- b. Technical Design - Results in a Technical Design Document.
- c. System Construction - Includes system modification, system testing of modifications, and conversions of data, where necessary.
- d. Verification and Validation - Includes acceptance testing of changes or such other techniques as the State determines appropriate to accept the system modification for implementation and operation.
- e. The modification project shall not be considered complete until all systems and user documentation, including, where appropriate, the metadata, has been

updated. Such updates must be completed within ten (10) business days of implementation of the modification project.

- f. The Contractor shall prepare a weekly report that lists each outstanding modification request; its priority and current status; its expected completion date; progress toward completion, including hours expended during the period; and an update of the estimated staff hours to complete it and specific personnel assigned. The report will be sorted by status and by priority.
- g. The Contractor shall also prepare a monthly report on evolution staffing and hours expended by project or administrative category.

B.8.4 Implementation into Production

The implementation of the system modification into the production version of the Replacement TCMIS; this activity also includes updates to system documentation, operations manuals, and user manuals.

B.8.5 Post-Implementation Assessment

An assessment conducted by the Contractor of each system modification approximately thirty (30) calendar days after implementation to ensure that the modification is functioning properly; the Contractor will report the results of this assessment to the State.

B.8.6 Operations Documentation

The Contractor shall, at all times, provide that all copies of the TCMIS System Documentation are current and the Contractor shall incorporate all updates. Four (4) copies of the TCMIS documentation and all updates shall be provided to the State. The TCMIS documentation must also be provide to the State in an electronic format. The Contractor shall be responsible for maintaining and updating each of the State's copies. The Contractor shall develop and maintain an easy reference guide with critical codes and descriptions, online access transaction codes, etc. and provide, at a minimum, 100 copies to the State. The reference guide must also be provided to the State in an electronic format.

22. **Amend Section I.2.3.d of Attachment I by deleting it in its entirety and substituting with the following:**

Key personnel are defined as the Project Manager, Operations Processing Manager, Computer Operations Manager and the TCMIS Systems Manager. In addition, the State reserves the right to reasonably require the removal and/or replacement of any of the Contractor's staff, any subcontractor, or subcontractor's staff. The Contractor shall provide resumes for key personnel as reasonably requested by the State. (Refer to Attachment 9.14 of the RFP)

23. **Amend Attachment L by deleting it in its entirety and substituting with the attached:**

The other terms and conditions of this Contract are not amended and hereby shall remain in full force and effect.

IN WITNESS WHEREOF:

ELECTRONIC DATA SYSTEMS CORPORATION:

Barbara Anderson

Date

EDS Information Service, L. L. C. ("EIS"):

Barbara Anderson

Date

DEPARTMENT OF FINANCE AND ADMINISTRATION:

M.D. Goetz, Jr., Commissioner

Date

APPROVED:

DEPARTMENT OF FINANCE AND ADMINISTRATION:

M.D. Goetz, Jr., Commissioner

Date

COMPTROLLER OF THE TREASURY:

John G. Morgan, Comptroller of the Treasury

Date

CONTRACT SUMMARY SHEET

RFS Number: 318.65-080	Contract Number: FA-03-15069-05
State Agency: Department of Finance and Administration	Division: Bureau of TennCare
Contractor	
Electronic Data Systems Corporation and EDS Information Services, L.L.C. (EIS)	Contractor Identification Number X V- C- 752548221 06

Service Description	
Development, Implementation and Replacement TennCare Management Information System (TCMIS)	

Contract Begin Date 08/12/2002	Contract End Date 06/30/2007
--	--

Allotment Code	Cost Center	Object Code	Fund	Grant	Grant Code	Subgrant Code
318.65	180	134	11	X on STARS		

FY	State Funds	Federal Funds	Interdepartmental Funds	Other Funding	Total Contract Amount (including ALL amendments)
2003	\$1,732,924.21	\$15,596,317.85			\$17,329,242.06
2004	\$2,774,088.71	\$8,322,266.13			\$11,096,354.84
2005	\$3,693,977.31	\$11,081,931.93			\$14,775,909.24
2006	\$3,678,875.48	\$11,036,626.43			\$14,715,501.91
2007	\$3,685,034.99	\$11,055,104.96			\$14,740,139.95
Total:	\$15,564,900.70	\$57,092,247.30			\$72,657,148.00

CFDA # 93.778	Check the box ONLY if the answer is YES:
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State Fiscal Contact		Is the Contractor a SUBRECIPIENT? (per OMB A-133)
Name:	Scott Pierce	Is the Contractor a VENDOR? (per OMB A-133) X
Address:	729 Church Street	Is the Fiscal Year Funding STRICTLY LIMITED?
Phone:	Nashville, TN (615) 532-1362	

Procuring Agency Budget Officer Approval Signature	Is the Contractor on STARS? X
Scott Pierce 	Is the Contractor's FORM W-9 ATTACHED?
	Is the Contractors Form W-9 Filed with Accounts? X

COMPLETE FOR ALL AMENDMENTS (only)			Funding Certification
	Base Contract & Prior Amendments	This Amendment ONLY	Pursuant to T.C.A., Section 9-6-113, I, M. D. Goetz, Jr., Commissioner of Finance and Administration, do hereby certify that there is a balance in the appropriation from which this obligation is required to be paid that is not otherwise encumbered to pay obligations previously incurred. <div style="text-align: center;"> RECEIVED 2005 JAN 14 AM 10:07 COMPLAINTS OFFICE OFFICE OF MANAGEMENT SERVICES </div>
END DATE →	06/30/2007		
FY: 2003	\$17,329,242.06		
FY: 2004	\$11,096,354.84		
FY: 2005	\$13,109,249.24	\$1,666,660.00	
FY: 2006	\$13,048,841.91	\$1,666,660.00	
FY: 2007	\$13,073,459.95	\$1,666,680.00	
Total:	\$67,657,148.00	\$5,000,000.00	

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C O N T R A C T S U M M A R Y S H E E T

RFS Number:	318.65-080	Contract Number:	FA-03-15069-05
State Agency:	Department of Finance and Administration	Division:	Bureau of TennCare

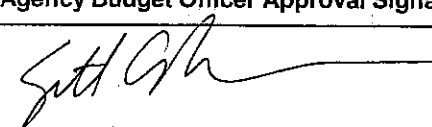
Contractor	Contractor Identification Number
Electronic Data Systems Corporation and EDS Information Services, L.L.C. (EIS)	<div style="display: flex; align-items: center;"> <div style="border: 1px solid black; padding: 2px; margin-right: 5px;"> X V- C- </div> 752548221 06 </div>

Service Description
Development, Implementation and Replacement TennCare Management Information System (TCMIS) FUNDING REVISION - MOVING \$4,000,000.00 FROM FY '07 TO FY '06

Contract Begin Date	Contract End Date
08/12/2002	06/30/2007

Allotment Code	Cost Center	Object Code	Fund	Grant	Grant Code	Subgrant Code
318.65	180	134	11	X on STARS		

FY	State Funds	Federal Funds	Interdepartmental Funds	Other Funding	Total Contract Amount (including ALL amendments)
2003	\$1,732,924.21	\$15,596,317.85			\$17,329,242.06
2004	\$2,774,088.71	\$8,322,266.13			\$11,096,354.84
2005	\$3,693,977.31	\$11,081,931.93			\$14,775,909.24
2006	\$4,678,875.48	\$14,036,626.43			\$18,715,501.91
2007	\$2,685,034.99	\$8,055,104.96			\$10,740,139.95
Total:	\$15,564,900.70	\$57,092,247.30			\$72,657,148.00

CFDA #	93.778	Check the box ONLY if the answer is YES:	
State Fiscal Contact		Is the Contractor a SUBRECIPIENT? (per OMB A-133)	
Name:	Scott Pierce	Is the Contractor a VENDOR? (per OMB A-133)	X
Address:	310 Great Circle Road Nashville, TN	Is the Fiscal Year Funding STRICTLY LIMITED?	
Phone:	(615) 507-6415	Is the Contractor on STARS?	X
Procuring Agency Budget Officer Approval Signature		Is the Contractor's FORM W-9 ATTACHED?	
 Scott Pierce		Is the Contractors Form W-9 Filed with Accounts?	X

COMPLETE FOR ALL AMENDMENTS (only)			Funding Certification
	Base Contract & Prior Amendments	This Amendment ONLY	Pursuant to T.C.A., Section 9-6-113, I, M. D. Goetz, Jr., Commissioner of Finance and Administration, do hereby certify that there is a balance in the appropriation from which this obligation is required to be paid that is not otherwise encumbered to pay obligations previously incurred.
END DATE →	06/30/2007		
FY: 2003	\$17,329,242.06		
FY: 2004	\$11,096,354.84		
FY: 2005	\$14,775,909.24		
FY: 2006	\$18,715,501.91		
FY: 2007	\$10,740,139.95		
Total:	\$72,657,148.00		

A - 5 2006

C O N T R A C T S U M M A R Y S H E E T

RFS Number:	318.65-080	Contract Number:	FA-03-15069-04
State Agency:	Department of Finance and Administration	Division:	Bureau of TennCare

Contractor	Contractor Identification Number
Electronic Data Systems Corporation and EDS Information Services, L.L.C. (EIS)	<div style="display: flex; align-items: center;"> <div style="border: 1px solid black; padding: 2px; margin-right: 5px;"> X V- C- </div> <div>752548221 06</div> </div>

Service Description
Development, Implementation and Replacement TennCare Management Information System (TCMIS)

Contract Begin Date	Contract End Date
08/12/2002	06/30/2007

Allotment Code	Cost Center	Object Code	Fund	Grant	Grant Code	Subgrant Code
318.65	180	134	11	X on STARS		

FY	State Funds	Federal Funds	Interdepartmental Funds	Other Funding	Total Contract Amount (including ALL amendments)
2003	\$1,732,924.21	\$15,596,317.85			\$17,329,242.06
2004	\$2,774,088.71	\$8,322,266.13			\$11,096,354.84
2005	\$3,277,312.31	\$9,831,936.93			\$13,109,249.24
2006	\$3,262,210.48	\$9,786,631.43			\$13,048,841.91
2007	\$3,268,365.00	\$9,805,094.95			\$13,073,459.95
Total:	\$14,314,900.71	\$53,342,247.29			\$67,657,148.00

CFDA # 93.778	Check the box ONLY if the answer is YES:
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State Fiscal Contact	
Name: Dean Daniel Address: 729 Church Street Phone: Nashville, TN (615) 532-1362	Is the Contractor a SUBRECIPIENT? (per OMB A-133)
	Is the Contractor a VENDOR? (per OMB A-133) X
	Is the Fiscal Year Funding STRICTLY LIMITED?
Procuring Agency Budget Officer Approval Signature	Is the Contractor on STARS? X
 7/19/04	Is the Contractor's FORM W-9 ATTACHED?
	Is the Contractors Form W-9 Filed with Accounts? X

COMPLETE FOR ALL AMENDMENTS (only)			Funding Certification
	Base Contract & Prior Amendments	This Amendment ONLY	Pursuant to T.C.A., Section 9-6-113, I, M. D. Goetz, Jr., Commissioner of Finance and Administration, do hereby certify that there is a balance in the appropriation from which this obligation is required to be paid that is not otherwise encumbered to pay obligations previously incurred.
END DATE →	06/30/2007		
FY: 2003	\$17,329,242.06		
FY: 2004	\$11,096,354.84		
FY: 2005	\$11,086,848.24	\$2,022,401.00	
FY: 2006	\$10,916,408.91	\$2,132,433.00	
FY: 2007	\$10,817,801.05	\$2,255,658.90	
Total	\$61,246,655.10	\$6,410,492.90	

Received
 DEC 08 2004
 Bureau of TennCare

RECEIVED
 DEC 17 AM 10:57
 OFFICE OF
 MANAGEMENT SERVICES

DEC 30 2004
 DIRECTOR OF ACCOUNTS

C O N T R A C T S U M M A R Y S H E E T

RFS Number:	318.65-080	Contract Number:	FA-03-15069-03
State Agency:	Department of Finance and Administration	Division:	Bureau of TennCare

Contractor	Contractor Identification Number
Electronic Data Systems Corporation and EDS Information Services, L.L.C. (EIS)	<div style="display: flex; justify-content: space-between;"> X V- 752548221 06 </div> <div style="text-align: center;">C-</div>

Service Description
Development, implementation and replacement TennCare Management Information System (TCMIS)

Contract Begin Date	Contract End Date
08/12/02	06/30/07

Allotment Code	Cost Center	Object Code	Fund	Grant	Grant Code	Subgrant Code
318.65	180	134	11	X on STARS		

FY	State Funds	Federal Funds	Interdepartmental Funds	Other Funding	Total Contract Amount (including ALL amendments)
2003	\$1,732,924.21	\$15,596,317.85			\$17,329,242.06
2004	\$2,774,088.71	\$8,322,266.13	<div>OCR RELEASED</div> <div>DEC 19 2003</div> <div>TO ACCOUNTS</div>		\$11,096,354.84
2005	\$2,771,712.06	\$8,315,136.18			\$11,086,848.24
2006	\$2,729,102.23	\$8,187,306.68			\$10,916,408.91
2007	\$2,708,200.26	\$8,109,600.79			\$10,817,801.05
Total:	\$12,716,027.47	\$48,530,627.63			\$61,246,655.10

CFDA #	93.778	Check the box ONLY if the answer is YES:
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State Fiscal Contact	Is the Contractor a SUBRECIPIENT? (per OMB A-133)
Name: Dean Daniel Address: 729 Church Street Phone: Nashville, TN (615) 532-1362	Is the Contractor a VENDOR? (per OMB A-133) x
	Is the Fiscal Year Funding STRICTLY LIMITED?
Procuring Agency Budget Officer Approval Signature	Is the Contractor on STARS? x
 10/3/03	Is the Contractor's FORM W-9 ATTACHED?
	Is the Contractors Form W-9 Filed with Accounts? x

COMPLETE FOR ALL AMENDMENTS (only)			Funding Certification	
	Base Contract & Prior Amendments	This Amendment ONLY	Pursuant to T.C.A., Section 9-6-113, I, M. D. Goetz, Jr., Commissioner of Finance and Administration, do hereby certify that there is a balance in the appropriation from which this obligation is required to be paid that is not otherwise encumbered to pay obligations previously incurred. <div style="text-align: center; margin-top: 20px;"> DEC 16 2003 </div>	
END DATE →	06/30/07			
FY: 2003	\$17,329,242.06			
FY: 2004	\$12,852,535.16	(\$1,756,180.32)		
FY: 2005	\$11,086,848.24			
FY: 2006	\$10,916,408.91			
FY: 2007	\$10,817,801.05			
Total:	\$63,002,835.42	(\$1,756,180.32)		

MANAGEMENT SERVICES

CONTRACT SUMMARY SHEET

RFS Number:	318.65-080	Contract Number:	FA-03-15069-02
State Agency:	Department of Finance and Administration	Division:	Bureau of TennCare
Contractor:		Contractor Identification Number:	

Electronic Data Systems Corporation and EDS Information Services, L.L.C. (EIS)

**X V-
C-**

752548221 06

Service Description

Development, implementation and replacement TennCare Management Information System (TCMS)

Contract Begin Date

Contract End Date

08/12/02

06/30/07

Allotment Code	Cost Center	Object Code	Fund	Grant	Grant Code	Subgrant Code
318.65	180	134	11	X on STARS		

FY	State Funds	Federal Funds	Interdepartmental Funds	Other Funding	Total Contract Amount (including ALL amendments)
2003	\$1,732,924.21	\$15,596,317.85		OCR RF	\$17,329,242.06
2004	\$3,213,133.79	\$9,639,401.37		SFP	\$12,852,535.16
2005	\$2,771,712.06	\$8,315,136.18		TO AG	\$11,086,848.24
2006	\$2,729,102.23	\$8,187,306.68			\$10,916,408.91
2007	\$2,708,200.26	\$8,109,600.79			\$10,817,801.05
Total	\$13,155,072.55	\$49,847,762.87			\$63,002,835.42

CFDA # 93.778

Check the box ONLY if the answer is YES:

State Fiscal Contact
Name: Dean Daniel
Address: 729 Church Street
Phone: Nashville, TN (615) 532-1362

Is the Contractor a SUBRECIPIENT? (per OMB A-133)

Is the Contractor a VENDOR? (per OMB A-133)

x

Is the Fiscal Year Funding STRICTLY LIMITED?

Is the Contractor on STARS?

x

Is the Contractor's FORM W-9 ATTACHED?

Is the Contractor's Form W-9 Filed with Accounts?

x

Procuring Agency Budget Officer Approval Signature


COMPLETE FOR ALL AMENDMENTS (only)

	Base Contract & Prior Amendments	This Amendment ONLY
END DATE →	06/30/07	
FY: 2003	\$17,329,242.06	
FY: 2004	\$12,852,535.16	
FY: 2005	\$11,086,848.24	
FY: 2006	\$10,916,408.91	
FY: 2007	\$10,817,801.05	
Total:	\$63,002,835.42	

Funding Certification

Pursuant to T.C.A., Section 9-6-113, I, M. D. Goetz, Jr., Commissioner of Finance and Administration, do hereby certify that there is a balance in the appropriation from which this obligation is required to be paid that is not otherwise encumbered to pay obligations previously incurred.

PROCESSED

SEP - 4 2003

DIRECTOR OF ACCOUNTS

RECEIVED
 103 SEP 11 AM 10:30
 COMPTROLLER OF THE TREASURY
 MANAGER OF FINANCIAL SERVICES

CONTRACT SUMMARY SHEET

RFS Number:	318.65-080	Contract Number:	FA-03-15069-01
State Agency:	Department of Finance and Administration	Division:	Bureau of TennCare
Contractor		Contractor Identification Number	
Electronic Data Systems Corporation and EDS Information Services, L.L.C. (EIS)		<input checked="" type="checkbox"/> X V- <input type="checkbox"/> C-	752548221 06

Service Description

Development, implementation and replacement TennCare Management Information System (TCMIS)

Contract Begin Date	Contract End Date
08/12/02	06/30/07

Allotment Code	Cost Center	Object Code	Fund	Grant	Grant Code	Subgrant Code
318.65	180	134	11	<input checked="" type="checkbox"/> on STARS		

FY	State Funds	Federal Funds	Interdepartmental Funds	Other Funding	Total Contract Amount (including ALL amendments)
2003	\$1,732,924.21	\$15,596,317.85			\$17,329,242.06
2004	\$3,213,133.79	\$9,639,401.37			\$12,852,535.16
2005	\$2,771,712.06	\$8,315,136.18			\$11,086,848.24
2006	\$2,729,102.23	\$8,187,306.68			\$10,916,408.91
2007	\$2,708,200.26	\$8,109,600.79			\$10,817,801.05
Total:	\$13,155,072.55	\$49,847,762.87			\$63,002,835.42

CFDA #	93.778	Check the box ONLY if the answer is YES:	
State Fiscal Contact		Is the Contractor a SUBRECIPIENT? (per OMB A-133)	
Name:	Dean Daniel	Is the Contractor a VENDOR? (per OMB A-133)	<input checked="" type="checkbox"/> x
Address:	729 Church Street	Is the Fiscal Year Funding STRICTLY LIMITED?	
Phone:	Nashville, TN (615) 532-1362	Is the Contractor on STARS?	<input checked="" type="checkbox"/> x
Procuring Agency Budget Officer Approval Signature		Is the Contractor's FORM W-9 ATTACHED?	
		Is the Contractors Form W-9 Filed with Accounts?	<input checked="" type="checkbox"/> x

COMPLETE FOR ALL AMENDMENTS (only)			Funding Certification
	Base Contract & Prior Amendments	This Amendment ONLY	Pursuant to T.C.A., Section 9-6-113, I, M. D. Goetz, Jr., Commissioner of Finance and Administration, do hereby certify that there is a balance in the appropriation from which this obligation is required to be paid that is not otherwise encumbered to pay obligations previously incurred.
END DATE →	06/30/07		
FY: 2003	\$17,808,382.83	- \$479,140.77	
FY: 2004	\$12,852,535.16		
FY: 2005	\$11,086,848.24		
FY: 2006	\$10,916,408.91		
FY: 2007	\$10,817,801.05		
Total:	\$63,481,976.19	- \$479,140.77	

RECEIVED
 06/21/07
 OFFICE OF
 MANAGEMENT SERVICES

CONTRACT SUMMARY SHEET

RFS Number:	318.65-080	Contract Number:	FA-03-15069-00
State Agency:	Department of Finance and Administration	Division:	Bureau of TennCare
Contractor:		Contractor Identification Number:	
Electronic Data Systems Corporation and EDS Information Services, L.L.C. ("EIS")		X	V- C-
		52548221-06	

Service Description

Development, implementation and replacement TennCare Management Information System (TCMIS)

Contract Begin Date:	Contract End Date:
12-Aug-02	30-Jun-07

Allotment Code	Cost Center	Object Code	Fund	Grant	Grant Code	Subgrant Code
318.65	27	139	11	X	on STARS	

FY	State Funds	Federal Funds	Interdepartmental Funds	Other Funding	Total Contract Amount include ALL amendments
2003	\$1,780,838.28	\$16,027,544.55			\$17,808,382.83
2004	\$3,213,133.79	\$9,639,401.37			\$12,852,535.16
2005	\$2,771,712.06	\$8,315,136.18			\$11,086,848.24
2006	\$2,729,102.23	\$8,187,306.68			\$10,916,408.91
2007	\$2,708,200.26	\$8,109,600.79			\$10,817,801.05
					\$0.00
Total:	\$13,202,986.62	\$50,278,989.57	\$0.00	\$0.00	\$63,481,976.19

CFDA Number:	93.778	Check the box (below) ONLY if the answer is YES:
--------------	--------	--

State Fiscal Contact		Is the Contractor a SUBRECIPIENT? (per OMB A-133)	
Name:	Dean Daniel	Is the Contractor a VENDOR? (per OMB A-133)	X
Address:	729 Church Street, Nashville, TN 37247	Is the Fiscal Year Funding STRICTLY LIMITED?	
Phone:	(615) 532-1362	Is the Contractor on STARS?	X

Procuring Agency Budget Officer Signature	Is the Contractor's FORM W-9 ATTACHED?
<i>Dean Daniel 9/10/02</i>	Is the Contractor's Form W-9 Filed with Accounts?
	X

Funding Certification	
Pursuant to T.C.A., Section 9-6-113, I, C. Warren Neel, Commissioner of Finance and Administration, do hereby certify that there is a balance in the appropriation from which this obligation is required to be paid that is not otherwise encumbered to pay obligations previously incurred.	

COMPLETE FOR ALL AMENDMENTS (only)		
Base Contract & Prior Amendments	This Amendment ONLY	
End Date >		
FY		
FY		
FY		
FY		
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FY		
Totals		

COPY
PROCESSED

SEP 17

DIRECTOR OF ACCOUNTS

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2002 SEP 12 AM 9:48
COMPTROLLER OFFICE
OFFICE OF
MANAGEMENT SERVICES



FISCAL REVIEW COMMITTEE

STATE OF TENNESSEE
G-19 WAR MEMORIAL BUILDING
NASHVILLE, TN 37243-0057
(615) 741-2564

Senator Jerry W. Cooper
Senate Chairman

Representative Charles Curtiss
House Chairman

MEMORANDUM

TO: The Honorable Dave Goetz, Commissioner
Department of Finance and Administration

FROM: Charles Curtiss, Chairman

DATE: December 6, 2004

SUBJECT: **Contract Comments** (Contract Subcommittee Meeting 12-1-04)

RFS# 318.65-080

Department: Bureau of TennCare

Contractor: Electronic Data Systems and EDS Information Services, LLC

Summary: The original contract requires the contractor to develop, implement and replace the TennCare Management Information System. The amendment allows TennCare to provide the contractor with additional staff and other enhancements needed to facilitate the proposed program changes.

Original maximum liability: \$67,657,148

Maximum liability with amendment: \$72,657,148

After reviewing the above-referenced contract request, the Fiscal Review Committee voted to postpone a recommendation on the contract until the next meeting of the subcommittee. Members requested that the TennCare Bureau provide the original contract and all amendments including a summary of what was taken out of the contract and what was added to the contract with each amendment. Additionally, the bureau was asked to clarify the documentation for the fifth amendment and provide the accompanying documentation for the fourth amendment as well as a timeline showing the implementation of the original contract and all subsequent amendments.

JC/CC:CE

cc: The Honorable J.D. Hickey, Deputy Commissioner, Department of
Finance and Administration
Mr. Robert Barlow, Director, Office of Contracts Review



FISCAL REVIEW COMMITTEE
STATE OF TENNESSEE
8th FLOOR RACHEL JACKSON BUILDING
NASHVILLE, TN 37243-0057
(615) 741-2564

Representative Charles Curtiss
Chairman

MEMORANDUM

TO: The Honorable Dave Goetz, Commissioner
Department of Finance and Administration

FROM: Charles Curtiss, Chairman

DATE: December 16, 2004

SUBJECT: **Contract Comments** (Contract Subcommittee Meeting 12-14-04)

RFS# 318.65-080

Department: Bureau of TennCare

Contractor: Electronic Data Systems and EDS Information Services, LLC

Summary: The original contract requires the contractor to develop, implement and replace the TennCare Management Information System. The amendment allows TennCare to provide the contractor with additional staff and other enhancements needed to facilitate the proposed program changes.

Original maximum liability: \$67,657,148

Maximum liability with amendment: \$72,657,148

After reviewing the above-referenced contract amendment request, the Fiscal Review Committee voted to recommend approval of the contract amendment by the Commissioner of the Department of Finance and Administration.

CC:CE

cc: The Honorable J.D. Hickey, Deputy Commissioner, Department of Finance and Administration
Mr. Robert Barlow, Director, Office of Contracts Review



FISCAL REVIEW COMMITTEE

STATE OF TENNESSEE
G-19 WAR MEMORIAL BUILDING
NASHVILLE, TN 37243-0057

Senator Jerry W. Cooper
Senate Chairman

(615) 741-2564

Representative Charles Curtiss
House Chairman

MEMORANDUM

TO: The Honorable Dave Goetz, Commissioner
Department of Finance and Administration

FROM: Jerry Cooper, Senate Chairman
Charles Curtiss, House Chairman

DATE: November 10, 2004

SUBJECT: **Contract Comments** (Contract Subcommittee Meeting 11-9-04)

RFS# 318.65-080

Department: Finance and Administration – Bureau of TennCare

Contractor: Electronic Data Systems and EDS Information Services, LLC

Summary: The contractor is responsible for the development, implementation, and replacement of the TennCare Management Information System. The amendment would require the contractor to process medical eligibility applications and provide servers and server related equipment.

Original maximum liability: \$61,246,655

Maximum liability with amendment: \$67,657,148

After reviewing the above-referenced contract amendment request, the motion to provide a recommendation on this contract failed due to a lack of a second.

JC/CC:CE

cc: The Honorable Dave Goetz, Commissioner, Department of Finance and Administration
The Honorable J.D. Hickey, Deputy Commissioner, Department of Finance and Administration
Mr. Robert Barlow, Director, Office of Contracts Review



FISCAL REVIEW COMMITTEE

**STATE OF TENNESSEE
G-19 WAR MEMORIAL BUILDING
NASHVILLE, TN 37243-0057
(615) 741-2564**

**Senator Jerry W. Cooper
Senate Chairman**

**Representative Charles Curtiss
House Chairman**

MEMORANDUM

TO: Mr. Dave Goetz, Commissioner
Department of Finance and Administration

FROM: Jerry Cooper, Senate Chairman
Charles Curtiss, House Chairman

DATE: December 4, 2003

SUBJECT: **Contract Comments**

RFS# 318.65-080

Department: Bureau of TennCare

Contractor: Electronic Data Systems and EDS Information Services

Summary: Contract for replacement TennCare Management Information System amended to change milestone dates to allow the vendor additional time to implement some functionality and related requirements. Length of term of contract not affected.

Original maximum liability: \$63,002,835

Maximum liability with amendment: \$61,246,655

After reviewing the above referenced contract amendment request the Fiscal Review Committee voted to recommend approval of the contract by the Commissioner of Finance and Administration.

JC/CC:be

cc: Robert Barlow, Director of Contracts Review

FISCAL REVIEW COMMITTEE

STATE OF TENNESSEE
G-19 WAR MEMORIAL BUILDING
NASHVILLE, TN 37243-0057
(615) 741-2564



EX-OFFICIO MEMBERS
SPEAKER OF THE SENATE
JOHN S. WILDER
SPEAKER OF THE HOUSE
JIMMY NAIFEH

CO-CHAIRMEN
SEN. JERRY COOPER
REP. CHARLES CURTISS

SENATORS
JAMES BRYSON
STEVE COHEN
DAVID FOWLER
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MARY PRUITT
DONNA ROWLAND
DAVID SHEPARD
CURRY TODD
JIM VINCENT

SECRETARIAT
JOHN MORGAN

EXECUTIVE DIRECTOR
JAMES DAVENPORT

MEMORANDUM

TO: Mr. Dave Goetz, Commissioner
Department of Finance and Administration

FROM: Jerry Cooper, Senate Chairman
Charles Curtiss, House Chairman

DATE: August 7, 2003

SUBJECT: **Contract Comments**

RFS# 318.65-080

Department: Finance and Administration

**Contractor: Electronic Data Systems and EDS
Information Services, LLC**

**Summary: Contract for replacement TennCare
Management Information System amended to change
milestone dates in original contract.**

After reviewing the above referenced contract the Fiscal Review Committee voted to recommend approval of the contract amendment by the Commissioner of Finance and Administration.

JC/CC:be

cc: Robert Barlow, Director of Contracts Review